



15027561

SECU

SSION

Washington, D.C. 20547

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8- 6805

06805

REPORT FOR THE PERIOD BEGINNING 08/01/2014 AND ENDING 07/31/2015  
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: *World Capital Brokerage, Inc.*

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1636 Logan Street

(No. and Street)

Denver

Colorado

80203

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Timothy E. Taggart

303-626-0631

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Tait, Weller and Baker LLP

(Name - if individual, state last, first, middle name)

1818 Market Street, Suite 2400

Philadelphia

PA

19103

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

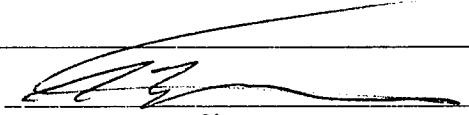
SEC 1410 (06-02)

Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

AB

## OATH OR AFFIRMATION

I, Timothy E. Taggart, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of World Capital Brokerage, Inc., as of July 31st, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature  
PRESIDENT  
Title

Patricia A. Blum

Notary Public *my commission expires 11/14/2018*

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ Report on Internal Control Required by Rule 17a-5 for a Broker-Dealer claiming exemption from Rule 15c3-3

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

WORLD CAPITAL BROKERAGE, INC.  
(Wholly Owned by AGF Holdings, Inc.)

(SEC I.D. No. 8-6805)

Financial Statements for the  
Year Ended July 31, 2015 and Supplementary  
Information.

This report is deemed CONFIDENTIAL in  
accordance with Rule 17a-5(e)(3).

A statement of financial condition and  
supplemental report on internal accounting  
control, bound separately, has been filed  
with the Securities and Exchange Commission  
simultaneously herewith as a public document.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Shareholders  
World Capital Brokerage, Inc.  
Denver, Colorado**

We have audited the accompanying financial statements of World Capital Brokerage, Inc. (a Colorado corporation), which comprise the statement of financial condition as of July 31, 2015, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. World Capital Brokerage, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of World Capital Brokerage, Inc. as of July 31, 2015, and the results of its operations, its changes in stockholder's equity, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental information on pages 10, 11, 12, and 13 has been subjected to audit procedures performed in conjunction with the audit of World Capital Brokerage's financial statements. The supplemental information is the responsibility of World Capital Brokerage's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Tait Weller & Baker LLP*  
**TAIT|WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
September 28, 2015**

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**STATEMENT OF FINANCIAL CONDITION**  
**JULY 31, 2015**

---

**ASSETS**

Cash and cash equivalents	\$ 159,634
Investment securities, at market value (note 2)	2,496,458
Deposits with clearing organizations	25,000
Commissions receivable (note 5)	47,631
Account receivable - affiliate	44,753
Other assets	<u>5,887</u>
Total assets	<u>\$ 2,779,363</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:	
Accounts payable	31,388
Accounts payable affiliate - Payroll	13,667
Clearance Account	387
Commissions payable	80,072
Deferred Tax Liability	<u>582,784</u>
Total liabilities	<u>708,298</u>
Stockholder's equity:	
Common stock, \$1 par value; 50,000 shares authorized; 24,500 shares issued and outstanding	24,500
Retained earnings	<u>2,046,565</u>
Total stockholder's equity	<u>2,071,065</u>
Total liabilities and stockholder's equity	<u>\$ 2,779,363</u>

See accompanying notes to statement of financial condition.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**STATEMENT OF INCOME**  
**YEAR ENDED JULY 31, 2015**

---

REVENUES:

Commissions (note 3)	\$ 1,132,620
Underwriting and distribution fees (note 3)	386,445
Dividend Income	37,994
Unrealized appreciation on investments	616,237
Property Management Fee (note 3)	26,902
Other income	48,532
Compliance income	<u>58,722</u>
Total Revenue	<u>2,307,452</u>

EXPENSES:

Commissions	1,190,176
General and administrative (note 3)	<u>543,702</u>
Total expenses	<u>1,733,878</u>
Income before income tax expense	573,574
Deferred tax expense	<u>240,332</u>
Total Income Taxes	<u>240,332</u>
Net Income	<u>\$ 333,242</u>

See accompanying notes to financial statements.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**YEAR ENDED JULY 31, 2015**

---

	<u>COMMON STOCK</u>		<u>RETAINED</u>	<u>TOTAL</u>
	<u>SHARES</u>	<u>AMOUNT</u>	<u>EARNINGS</u>	<u>STOCKHOLDER'S</u>
				<u>EQUITY</u>
BALANCES AT JULY 31, 2014	24,500	\$ 24,500	\$ 1,713,323	\$ 1,737,823
DISTRIBUTIONS	-	-	-	-
NET INCOME July, 31, 2015	-	-	333,242	333,242
BALANCES AT JULY 31, 2015	<u>24,500</u>	<u>\$ 24,500</u>	<u>\$ 2,046,565</u>	<u>\$ 2,071,065</u>

See accompanying notes to financial statements.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JULY 31, 2015**

---

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (loss) \$ 333,242

ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Unrealized appreciation on investments (616,237)

Changes in assets and liabilities:

Increase deferred tax liability 240,332

Decrease in commissions and accounts payable (19,231)

Increase in payroll payable 342

Decrease in Deposits with Clearing Organizations 75,000

Decrease in AR – Affiliates 23,759

Decrease in notes receivable 30,005

Decrease in commissions receivable 48,420

Decrease in other assets 3,694

Net cash provided by (used by) Operating Activities 119,326

CASH FLOWS FROM INVESTING ACTIVITIES:

Payments for purchase of investments 0

Proceeds from sales of investments 0

Net cash provided by (used by) investing activities 0

CASH FLOWS FROM FINANCING ACTIVITIES

Distributions to shareholders 0

Net cash used by distributions to shareholders 0

NET INCREASE IN CASH AND CASH EQUIVALENTS 119,326

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 40,308

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 159,634

See accompanying notes to financial statements.



**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements include the accounts of World Capital Brokerage, Inc. (the Company), a wholly owned subsidiary of AGF Holdings, Inc. (the Parent). The Company is a Colorado corporation and a registered broker-dealer with the Securities and Exchange Commission (SEC). The primary functions of the Company are to underwrite the shares of American Growth Fund, Inc. (the Fund), a diversified open-end investment company, and to function as a broker-dealer of securities. Significant accounting policies followed by the Company are:

**INVESTMENT SECURITIES**

Security transactions and related revenue and expense are recorded on a trade date basis. In accordance with financial reporting requirements for broker/dealers, the Company's investment securities are recorded at market value based upon quotes from brokers. Changes in unrealized appreciation or depreciation are included in revenue. Realized gains and losses are computed using the specific identification method.

**COMMISSIONS**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

**INCOME TAXES**

The Company and the Parent account for income taxes using the asset and liability method of accounting for income taxes. The Company files consolidated federal and state income tax returns with the Parent. An informal tax sharing agreement currently exists between the Company and the Parent. Under such agreement the tax expense or benefit recorded by the Company, including the tax effects of related assets and liabilities of affiliates, is computed as if the Company filed separate stand-alone tax returns. Such amounts are limited to tax expense or benefit recorded on a consolidated basis for the Parent. The Company's method of accounting for income taxes conforms to "Accounting For Income Taxes". This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities.

The Company evaluates tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management of the Company has reviewed the tax positions for the open tax years ending July 31, 2012 through July 31, 2015 and has determined that there are no significant uncertain tax positions that would require recognition in the financial statements.

**CONCENTRATION OF CREDIT RISK**

From time to time the Company had cash balances on deposits with banks in excess of the federally insured limits. The Company believes its risk of loss is limited due to the high credit quality of such bank.

**STATEMENT OF CASH FLOWS**

For purposes of the statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS, continued**  
**JULY 31, 2015**

---

States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**2. INVESTMENT SECURITIES**

At July 31, 2015 the Company's investment securities had an aggregate cost basis of \$1,002,139 and a market value of \$2,496,458 resulting in an unrealized gain of \$1,494,319.

The Company follows a fair value hierarchy that distinguishes market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy.

Level 1 – quoted prices in active markets for identical securities,

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc), and

Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of July 31, 2015, in valuing the Company's assets carried at fair value:

Equity	Level 1	Level 2	Level 3	Total
Entertainment	\$ 1,095,600	\$ 0	\$ 0	\$ 1,095,600
Apparel	693,810	0	0	693,810
Recreation	197,216	0	0	197,216
Insurance (Life)	172,106	0	0	172,106
Medical Care	95,206	0	0	95,206
Health Care Plans	90,248	0	0	90,248
Packaging and Container	53,930	0	0	53,930
Aerospace/Defense	53,900	0	0	53,900
Specialty Chemicals	44,442	0	0	44,442
Total Equity	\$2,496,458	0	0	\$2,496,548

There were no movements between Levels 1 and 2 as of July 31, 2015.

The Company recognizes transfers between levels of the last day of each fiscal reporting period.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS, continued**  
**JULY 31, 2015**

---

**3. TRANSACTIONS WITH RELATED PARTIES**

The Company, the Parent and Investment Research Corporation (IRC), the investment advisor for the Fund, are controlled by the same individual. Certain officers and directors of the Company are also officers and directors of the Fund and IRC. As principal underwriter for the Fund, the Company received gross underwriting commissions of \$384,445 for the year ended July 31, 2015. The Company received \$0 from IRC for distribution services.

The Company shares office space and certain employees with the Fund and IRC. Costs related thereto and certain other costs are allocated among the affiliates on a basis determined by management.

During fiscal 2015, the company received \$26,902 from related parties for property management services provided.

**4. MINIMUM NET CAPITAL**

Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934, the Company, as a registered securities broker/dealer, is required to maintain a minimum net capital of the greater of \$250,000 or 6 2/3% of "aggregate indebtedness," as defined in such rule. At July 31, 2015, the Company had net capital of \$1,414,094 which was \$1,164,094 in excess of its required net capital of \$250,000. The Company's ratio of aggregate indebtedness to net capital at July 31, 2015 was 0.0888 to 1.

**5. COMMISSIONS RECEIVABLE**

Commissions paid to broker/dealers through deferred sales charges, for the sale of Fund shares, are recorded as commissions receivable. The Company receives from the Fund a monthly distribution fee based on the Fund's daily net assets. Commissions receivable are recovered through the receipt of the distribution fee and redemption charges, if any, related to Fund shares subject to contingent deferred sales charges.

**6. INCOME TAXES**

The provision for income taxes consists of the following:

Current	
Federal	\$ 0
Deferred	
Federal	211,800
State	28,532
Total	\$ 240,332

The deferred tax liability results from unrealized appreciation of investments.

**7. SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Company's financial statements.

**SCHEDULE I**  
**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**COMPUTATION OF NET CAPITAL,  
MINIMUM NET CAPITAL REQUIRED AND AGGREGATE INDEBTEDNESS  
AS OF JULY 31, 2015**

---

COMPUTATION OF NET CAPITAL AND MINIMUM  
NET CAPITAL REQUIRED

STOCKHOLDER'S EQUITY	<u>\$ 2,071,065</u>
DEDUCT:	
Non-allowable assets	74,002
Haircuts on investment security	374,469
Haircuts undue concentration	<u>208,500</u>
Total	<u>656,971</u>
NET CAPITAL	<u>\$ 1,414,094</u>
Total liabilities	<u>125,514</u>
<u>TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$ 125,514</u>
NET CAPITAL	<u>\$ 1,414,094</u>
MINIMUM NET CAPITAL REQUIRED (greater of 6 <sup>2</sup> / <sub>3</sub> % of aggregate indebtedness or \$250,000)	<u>(250,000)</u>
EXCESS NET CAPITAL	<u>\$ 1,164,094</u>
RATIO OF AGGREGATED INDEBTEDNESS TO NET CAPITAL	<u>0.0888 to 1</u>

**SCHEDULE II**  
**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER AND DEALERS PURSUANT TO RULE 15c3-3 AS OF JULY 31, 2015**

---

The Company has no credit or debit balances in customer accounts as of July 31, 2015; accordingly, no reserve is required as of July 31, 2015. Information relating to the computations for determination of reserve requirements included in the Company's Form X-17a-5 (Focus Report, Part II) as of July 31, 2015, does not differ from the above statement.

## **SCHEDULE III**

### **WORLD CAPITAL BROKERAGE, INC.** **(wholly owned by AGF Holdings, Inc.)**

#### **INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF JULY 31, 2015**

---

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3.)
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
3. The system and procedure utilized in complying with the requirement to maintain physical possession or control of customers' fully-paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3.

## **SCHEDULE IV**

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR  
CUSTOMERS' REGULATED COMMODITY FUTURES AND OPTION ACCOUNTS AS OF  
JULY 31, 2015**

---

Not Applicable

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Shareholders  
World Capital Brokerage, Inc.  
Denver, Colorado**

We have reviewed management's statements, included in the accompanying Exemption from Reserve Requirements Pursuant to Rule 15c3-3, in which (1) World Capital Brokerage, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which World Capital Brokerage, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3(k)2ii (the "exemption provisions") and (2) World Capital Brokerage, Inc. stated that World Capital Brokerage, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. World Capital Brokerage, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about World Capital Brokerage, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii), of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Tait Weller & Baker LLP*

**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
September 28, 2015**

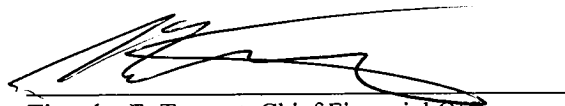


**MANAGEMENT STATEMENT REGARDING EXEMPTION  
FROM THE RESERVE REQUIREMENTS PURSUANT TO RULE 15c3-3**

I, as a member of management of the World Capital Brokerage, Inc. (the “Company”), am responsible for complying with the exemptive provisions set forth in paragraph (k) 2ii of Rule 15c3-3 under the Securities Exchange Act of 1934. I am also responsible for establishing and maintaining effective internal control over compliance with such exemptive provisions. I have performed an evaluation of the Company’s compliance with the exemptive provisions from August 1, 2014 through July 31, 2015.

Based on this evaluation, I assert that the Company was in compliance with the exemptive provisions set forth in paragraph (k) 2ii of Rule 15c3-3 under the Securities Exchange Act of 1934 as of July 31, 2015, and from August 1, 2014 through July 31, 2015.

**WORLD CAPITAL BROKERAGE, INC.**

  
Timothy E. Taggart, Chief Financial Officer

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

**To the Board of Directors and Shareholders  
World Capital Brokerage, Inc.  
Denver, Colorado**

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation (SIPC) for the fiscal period beginning August 1, 2014 and ending July 31, 2015, which were agreed to by World Capital Brokerage, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you in evaluating World Capital Brokerage, Inc.'s compliance with applicable instructions of Form SIPC-7. World Capital Brokerage Inc.'s management is responsible for the World Capital Brokerage Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose. The procedures we performed are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts listed in the Company's audited financial statements for the period August 1, 2014 to July 31, 2015 with the amounts reported on the General Assessment Reconciliation (Form SIPC-7) for the period August 1, 2014 to July 31, 2015 noting no differences;
3. Compared any adjustments reported in Form SIPC 7 and in the related schedules and working papers supporting the adjustments noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC 7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Tait Weller & Baker LLP*  
**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
September 28, 2015**

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300**General Assessment Reconciliation****SIPC-7**

(33-REV 7/10)

For the fiscal year ended 07/31/2015

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

8-006805 FINRA JUL 12/30/1970  
WORLD CAPITAL BROKERAGE, INC.  
1636 LOGAN ST  
DENVER, CO 80203

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

MICHAEL G - (303) 626-0600

2. A. General Assessment (item 2e from page 2) \$ 1,903.71
- B. Less payment made with SIPC-6 filed (exclude interest) ( 137.80 )  
02/26/2015  
Date Paid
- C. Less prior overpayment applied ( )
- D. Assessment balance due or (overpayment) 1,765.91
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 1,765.91
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 1,765.91
- H. Overpayment carried forward \$(                      )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):  
\_\_\_\_\_  
\_\_\_\_\_

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

**WORLD CAPITAL BROKERAGE, INC.**

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 28 day of SEPTEMBER, 20 15TIMOTHY TAGGART - PRESIDENT

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**Dates:                      Postmarked                      Received                      Reviewed                     Calculations                      Documentation                     Forward Copy                     

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 08/01/2014  
and ending 07/01/2015

**Eliminate cents**

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 2,307,452

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 0

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

1,519,065

26,902

1,545,967

\$ 761,485

\$ 1,903.71

(to page 1, line 2.A.)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8- 6805

FACING PAGE  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 08/01/2014 AND ENDING 07/31/2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1636 Logan Street

OFFICIAL USE ONLY

FIRM I.D. NO.

	(No. and Street)	
Denver	Colorado	80203
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Timothy E. Taggart 303-626-0631  
(Area Code – Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Tait, Weller and Baker LLP

	(Name – if individual, state last, first, middle name)		
1818 Market Street, Suite 2400	Philadelphia	PA	19103
(Address)	(City)	(State)	(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

*\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

## OATH OR AFFIRMATION

I, Timothy E. Taggart, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of World Capital Brokerage, Inc., as of July 31st, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
Signature

PRESIDENT  
Title

Patricia A Blum

Notary Public *my commission expires 11/14/2018*

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**(SEC I.D. No. 8-6805)**

**Statement of Financial Condition**  
**as of July 31, 2015**

**Filed in accordance with**  
**Rule 17a-5(e)(3) as a PUBLIC DOCUMENT.**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Shareholders  
World Capital Brokerage, Inc.  
Denver, Colorado**

We have audited the accompanying statement of financial condition of World Capital Brokerage, Inc. (a Colorado corporation) as of July 31, 2015, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes. World Capital Brokerage, Inc.'s management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial condition of World Capital as of July 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

*Tait Weller & Baker LLP*  
**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
September 28, 2015**



**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**STATEMENT OF FINANCIAL CONDITION**  
**JULY 31, 2015**

---

**ASSETS**

Cash and cash equivalents	\$ 159,634
Investment securities, at market value (note 2)	2,496,458
Deposits with clearing organizations	25,000
Commissions receivable (note 5)	47,631
Account receivable - affiliate	44,753
Other assets	<u>5,887</u>
Total assets	<u>\$ 2,779,363</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:	
Accounts payable	31,388
Accounts payable affiliate - Payroll	13,667
Clearance Account	387
Commissions payable	80,072
Deferred Tax Liability	<u>582,784</u>
Total liabilities	<u>708,298</u>
Stockholder's equity:	
Common stock, \$1 par value; 50,000 shares authorized; 24,500 shares issued and outstanding	24,500
Retained earnings	<u>2,046,565</u>
Total stockholder's equity	<u>2,071,065</u>
Total liabilities and stockholder's equity	<u>\$ 2,779,363</u>

See accompanying notes to statement of financial condition.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements include the accounts of World Capital Brokerage, Inc. (the Company), a wholly owned subsidiary of AGF Holdings, Inc. (the Parent). The Company is a Colorado corporation and a registered broker-dealer with the Securities and Exchange Commission (SEC). The primary functions of the Company are to underwrite the shares of American Growth Fund, Inc. (the Fund), a diversified open-end investment company, and to function as a broker-dealer of securities. Significant accounting policies followed by the Company are:

**INVESTMENT SECURITIES**

Security transactions and related revenue and expense are recorded on a trade date basis. In accordance with financial reporting requirements for broker/dealers, the Company's investment securities are recorded at market value based upon quotes from brokers. Changes in unrealized appreciation or depreciation are included in revenue. Realized gains and losses are computed using the specific identification method.

**COMMISSIONS**

Commissions and related clearing expenses are recorded on a trade-data basis as securities transactions occur.

**INCOME TAXES**

The Company and the Parent account for income taxes using the asset and liability method of accounting for income taxes. The Company files consolidated federal and state income tax returns with the Parent. An informal tax sharing agreement currently exists between the Company and the Parent. Under such agreement the tax expense or benefit recorded by the Company, including the tax effects of related assets and liabilities of affiliates, is computed as if the Company filed separate stand-alone tax returns. Such amounts are limited to tax expense or benefit recorded on a consolidated basis for the Parent. The Company's method of accounting for income taxes conforms to "Accounting For Income Taxes". This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities.

The Company evaluates tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management of the Company has reviewed the tax positions for the open tax years ending July 31, 2012 through July 31, 2015 and has determined that there are no significant uncertain tax positions that would require recognition in the financial statements.

**CONCENTRATION OF CREDIT RISK**

From time to time the Company had cash balances on deposits with banks in excess of the federally insured limits. The Company believes its risk of loss is limited due to the high credit quality of such bank.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS, continued**  
**JULY 31, 2015**

---

**USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**2. INVESTMENT SECURITIES**

At July 31, 2015 the Company's investment securities had an aggregate cost basis of \$1,002,139 and a market value of \$2,496,458 resulting in an unrealized gain of \$1,494,319.

The Company follows a fair value hierarchy that distinguishes market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy.

Level 1 – quoted prices in active markets for identical securities,

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc), and

Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of July 31, 2015, in valuing the Company's assets carried at fair value:

Equity	Level 1	Level 2	Level 3	Total
Entertainment	\$ 1,095,600	\$ 0	\$ 0	\$ 1,095,600
Apparel	693,810	0	0	693,810
Recreation	197,216	0	0	197,216
Insurance (Life)	172,106	0	0	172,106
Medical Care	95,206	0	0	95,206
Health Care Plans	90,248	0	0	90,248
Packaging and Container	53,930	0	0	53,930
Aerospace/Defense	53,900	0	0	53,900
Specialty Chemicals	44,442	0	0	44,442
Total Equity	\$2,496,458	0	0	\$2,496,548

There were no movements between Levels 1 and 2 as of July 31, 2015.

The Company recognizes transfers between levels of the last day of each fiscal reporting period.

**WORLD CAPITAL BROKERAGE, INC.**  
**(wholly owned by AGF Holdings, Inc.)**

**NOTES TO FINANCIAL STATEMENTS, continued**  
**JULY 31, 2015**

---

**3. TRANSACTIONS WITH RELATED PARTIES**

The Company, the Parent and Investment Research Corporation (IRC), the investment advisor for the Fund, are controlled by the same individual. Certain officers and directors of the Company are also officers and directors of the Fund and IRC. As principal underwriter for the Fund, the Company received gross underwriting commissions of \$386,445 for the year ended July 31, 2015. The Company received \$0 from IRC for distribution services.

The Company shares office space and certain employees with the Fund and IRC. Costs related thereto and certain other costs are allocated among the affiliates on a basis determined by management.

During fiscal 2015, the company received \$26,902 from related parties for property management services provided.

**4. MINIMUM NET CAPITAL**

Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934, the Company, as a registered securities broker/dealer, is required to maintain a minimum net capital of the greater of \$250,000 or 6 2/3% of "aggregate indebtedness," as defined in such rule. At July 31, 2015, the Company had net capital of \$1,414,094 which was \$1,164,094 in excess of its required net capital of \$250,000. The Company's ratio of aggregate indebtedness to net capital at July 31, 2015 was 0.0888 to 1.

**5. COMMISSIONS RECEIVABLE**

Commissions paid to broker/dealers through deferred sales charges, for the sale of Fund shares, are recorded as commissions receivable. The Company receives from the Fund a monthly distribution fee based on the Fund's daily net assets. Commissions receivable are recovered through the receipt of the distribution fee and redemption charges, if any, related to Fund shares subject to contingent deferred sales charges.

**6. INCOME TAXES**

The provision for income taxes consists of the following:

Current	
Federal	\$ 0
Deferred	
Federal	211,800
State	28,532
Total	<u>\$ 240,332</u>

The deferred tax liability results from unrealized appreciation of investments.

**7. SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Company's financial statements.